

The Institute of
Chartered Accountants
of Pakistan

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November 2016

FINANCE FUNCTIONS AND PAIBs IN 2025

Survey on future expectations and challenges of Professional Accountants in Business



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1. Executive summary

The ICAP Professional Accountants in Business Committee (PAIB) took initiative to conduct a survey on Finance Functions and PAIBs in 2025. The survey complements the IFAC PAIB Committee agenda of identifying future challenges and opportunities for PAIBs and provide thought leadership on focus areas for them and their institutes across the globe.

The survey aims to infer the expectations and gaps, challenges and opportunities for finance professionals in general and Professional Accountants in Business (PAIBs) in particular; thereby identifying the competencies and skill set that future demands from them.

The questionnaire having quantitative and qualitative questions was developed and circulated online. Likert scale was used to assess the degree of agreement. The entire survey focusses on where the PAIBs stand today, what is expected in future and if the PAIBs and finance professionals are ready for the upcoming challenges of the digital world.

The results of the survey show that there are gaps in the skillset required for the changing local and global business and technological environment. Technology is continuously making drastic changes in the business environment, therefore the finance professionals need to be trained and adapted accordingly. The results of the survey also reveal that technological advancement is amongst the top three drivers of change as well as one of the challenges of tomorrow. Moreover, there has been consensus among majority of the respondents to introduce industry specific certifications.



2. Introduction

The business environment of today is not what it used to be twenty years ago, nor will it be same in the coming decade. While the expectations and predictions about future may vary, professionals and pundits are unanimous on one point - to excel, one needs to ponder over and prepare for it today! The study conducted by the Survey Sub-Committee of PAIB complements the IFAC PAIB Committee agenda of identifying future challenges and opportunities for PAIBs and provide thought leadership on focus areas for them and their institutes across the globe.

3. Purpose of the survey

Purpose of the survey is to understand what finance professionals collectively perceive the coming decade to hold for them. The survey infers the expectations and gaps, challenges and opportunities for finance professionals in general and Professional Accountants in Business (PAIBs) in particular; thereby identifying the competencies and skill set that future demands from them. Feedback collected through this survey have become part of thought process required for devising curriculum and training plans for the members' community at large.

Respondents refer to the members of the Institute of Chartered Accountants of Pakistan. Also, the terms 'members' and 'professional accountants' are used synonymously.

4. Methodology

The research tool used for the survey is a questionnaire with open ended and close-ended questions. All quantitative questions in the research are based on the Likert scale. Qualitative questions were also included in the 30-question survey to get in-depth feedback from the respondents. There were following four sections in the survey:

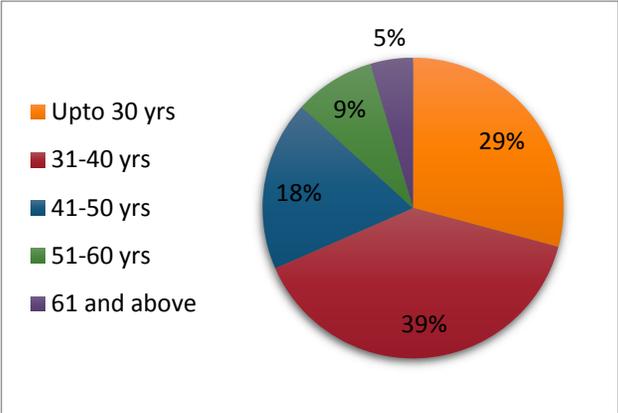
- Demographics
- Future outlook
- PAIBs current skills set and competencies
- Are we ready?

5. Analysis of the respondents

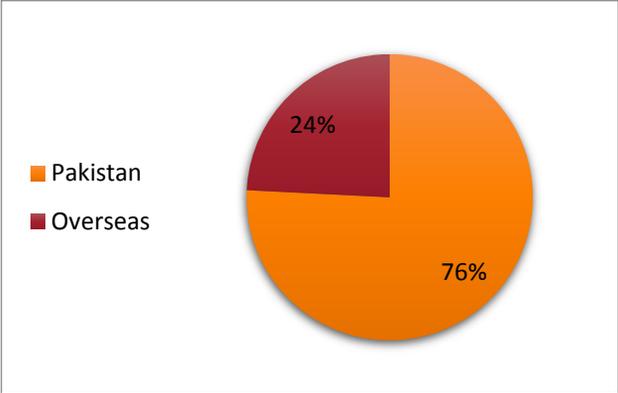
The survey participants had diverse backgrounds, working in many regions and sectors locally and globally, having multiple years of experience and also mid-level professionals and fresh qualified members, serving in large and small sized organizations, from the profession, in industry and self-employed. Graphs below depicts diversity of the respondents.



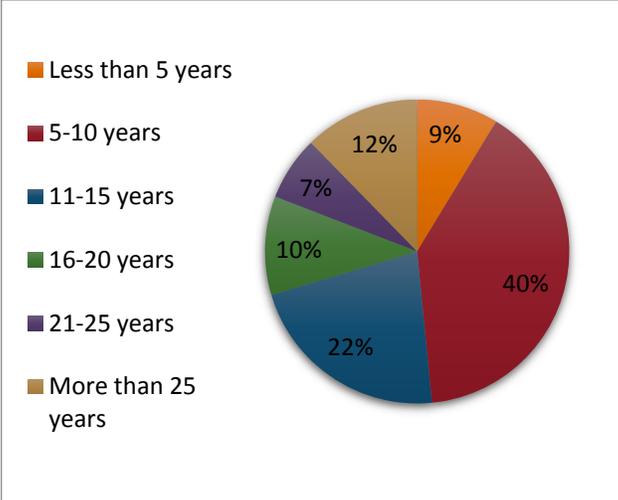
39% belong to up to 31 to 40 years of age group.



76% of respondents are the residents of Pakistan.

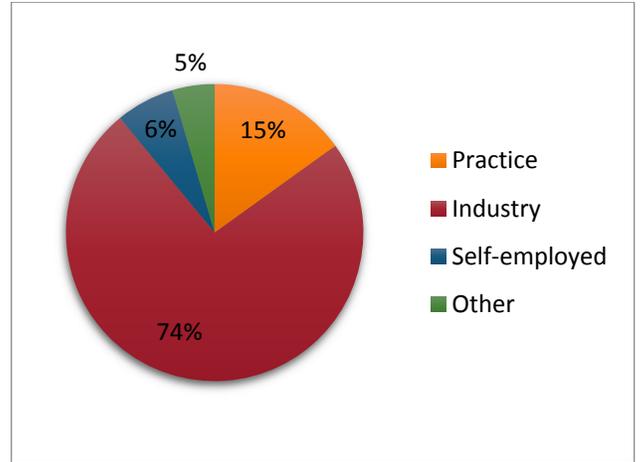


40% of the respondents have professional experience between 5 to 10 years

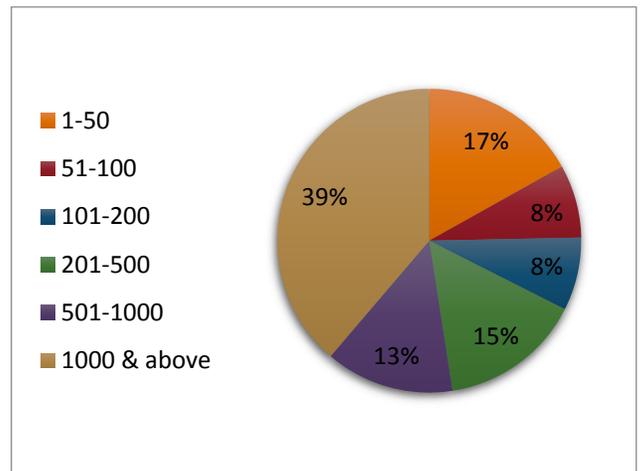




74% work in industry.



39% of respondents belong to large size organizations.



6. Analysis of responses

The compilation and analysis of the responses received from the survey respondents along with the key trends identified are presented as follows.

6.1 Finance Functions

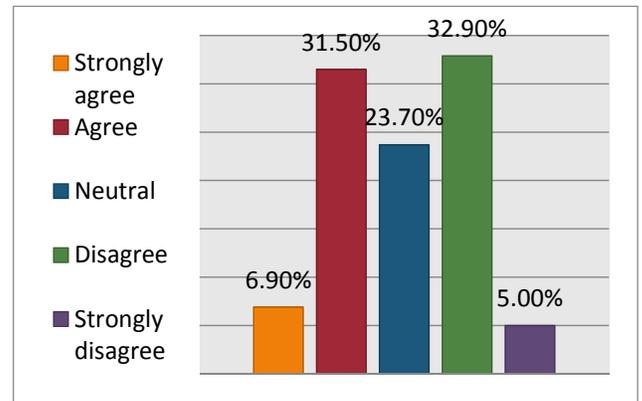


38%¹ of respondents believe that majority of the PAIBs will continue with their traditional roles in areas of finance,

business partnering and compliance. Whereas, equal² number of respondents are in disagreement.

The traditional roles of Professional Accountants in Business seems to be coming towards a graceful end as new finance functions and opportunities emerge. The study reveals that while majority of respondents believe that PAIBs will continue with their traditional roles, a major chunk considers the traditional roles to end.

According to the survey, the key roles for a finance professional include leadership roles such as the Chief Executive Officer and opportunities for strategy formulation and decision-making. Moreover, technological advancements have given way to various information technology integrated/driven roles, such as partner for IT development, Head of Information Technology, Chief Technology Officer and IT Specialist.



Few other roles that are predicted to be part of the PAIBs in future include risk management and compliance roles such as Head of Risk Management and Risk Analyst.

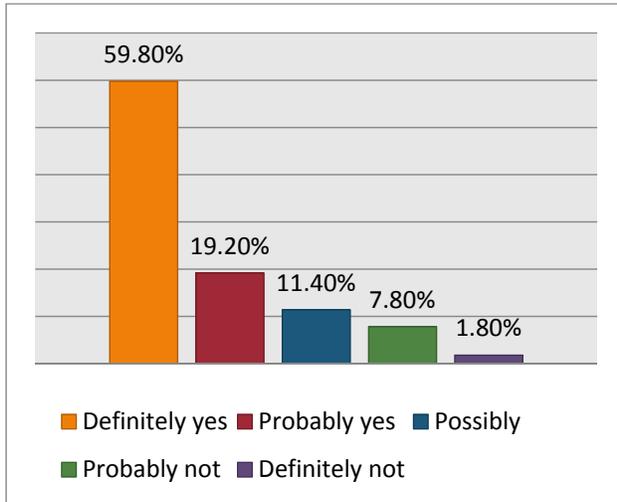
With time, the basic finance functions are evolving at a rapid pace, which demands an early prediction of the changes that are to be expected in the near future. Identifying the key changes in the finance world on time will allow the current finance and accounting professionals to be prepared for the upcoming changes in the roles and responsibilities of a professional accountant.

¹ Strongly agree and Agree figures are combined

² Strongly disagree and Disagree figures are combined



79%³ of Chartered Accountants expect finance functions to remain as relevant for businesses in 2025 as they are today.



According to the survey, majority of the people believe that finance functions will change significantly with time. However, expect that finance function will remain as relevant for businesses in 2025 as it is today. The emergence of new trends and opportunities call for realignment in the roles and responsibilities of accounting professionals in industry yet these roles are not entirely new and have relevance with the current responsibilities.

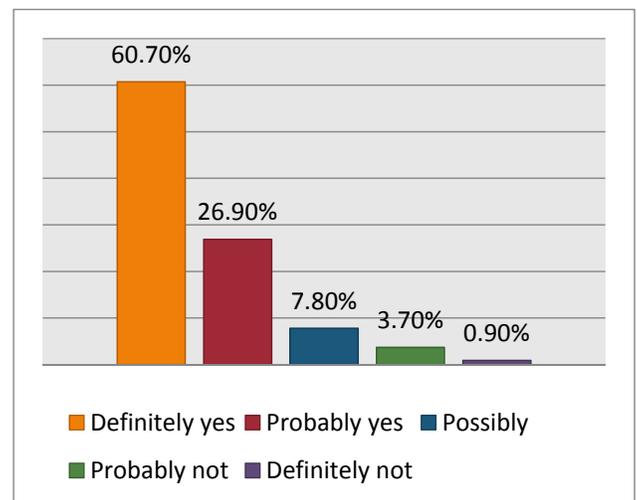
As the time passes, even the professionals engaged in core finance functions are becoming the leaders of today influencing the organizational culture, prioritizing sustainability as a core value and changing the overall structure of an organization so as to make it a better place. However, what is it that is driving change in the job descriptions of professional accountants in business and organizations at large?

³ Definitely yes and probably yes figures are combined

Advancements in information technology and digitization at global level have been the major reasons causing drastic changes in the conventional finance functions in businesses. With this, there have been changes in the legal and regulatory environment demanding more efficiency. Other drivers included globalization and economic trends.



87%⁴ of Chartered Accountants believe that expectations from finance functions will change significantly with time.



In the past few years, due to growing expectations of the business world, the role of finance professional has been transformed into a strategic partner. In addition to performing the core finance functions such as overseeing the financial health of an organization, today the chartered accountants are believed to assist businesses in strategic and operational decision-making.

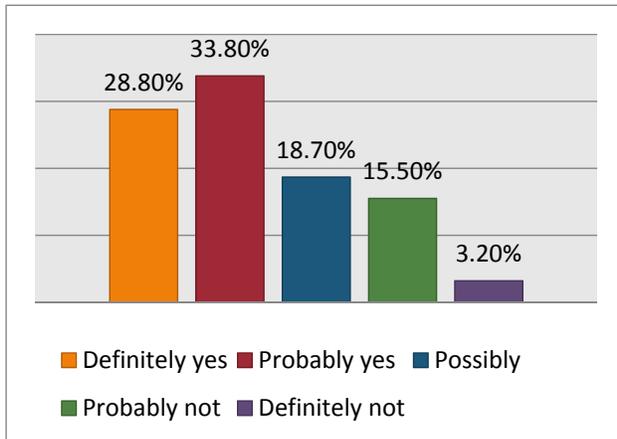
According to the study, majority of the respondents' expectations from finance will change more. Finance professionals will be required to provide business with forecasts on a more real-time basis.

⁴ Definitely yes and probably yes figures are combined

6.2 Business leaders or technical experts



62%⁵ see a shift towards more specialization such as industry specific chartered accountants.

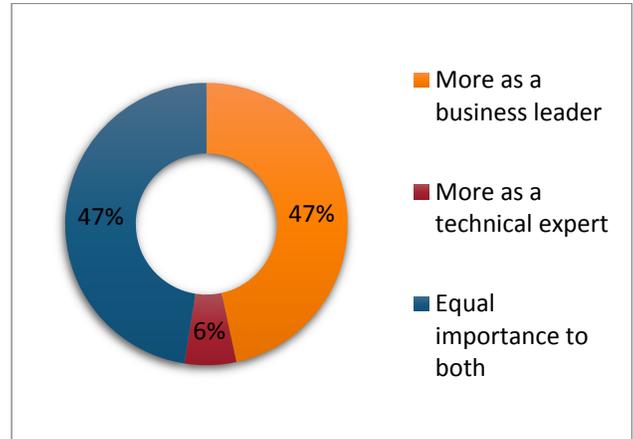


Here comes the role of accounting bodies to develop professional accountants as industry specific experts. More specialization will result in increased efficiency and allow chartered accountants to become business leaders and innovators.

Chartered Accountants working in industry are expected to be involved in more than just numbers. They make strategic decisions and are considered the guardian of the organization's image. Therefore, it is integral for them to learn and adapt to become specialized in the industry specific roles.



47% think that PAIBs of future should be developed as business leaders and the same percentage goes for technical experts.

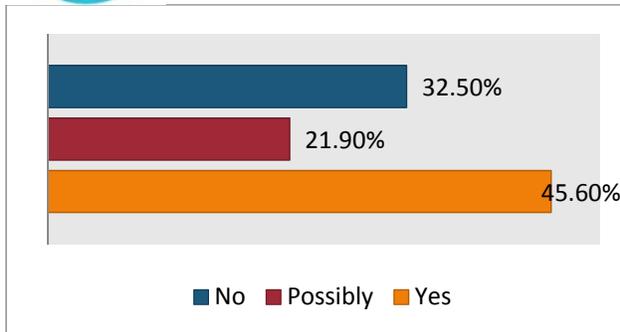


The evolving role of professional accountants demands for gaining expertise in business decision making as well as technical aspects of the organization. According to the survey, respondents have given equal importance to acquiring knowledge and skills for business acumen as well as technology. More and more chartered accountants are growing out of their core finance functions and assisting organizations in fulfilling objectives and developing business strategies aligned with today's technological requirements.

⁵ Definitely yes and probably yes figures are combined



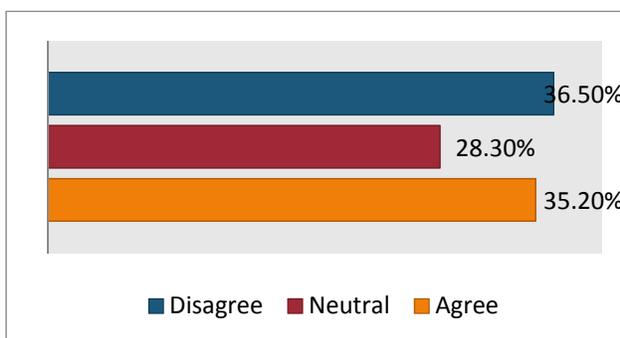
45% expect that outsourcing organizations will take away key finance roles in future.



Technology is growing faster than ever, consequently putting an end to the mainstream conventional finance functions. While operational finance, recording and payable functions are being replaced by technology, the primary focus of the finance functions in the future will include corporate partnering and adding value to the business.



36% think that IT professionals will not take lead roles in future finance functions.

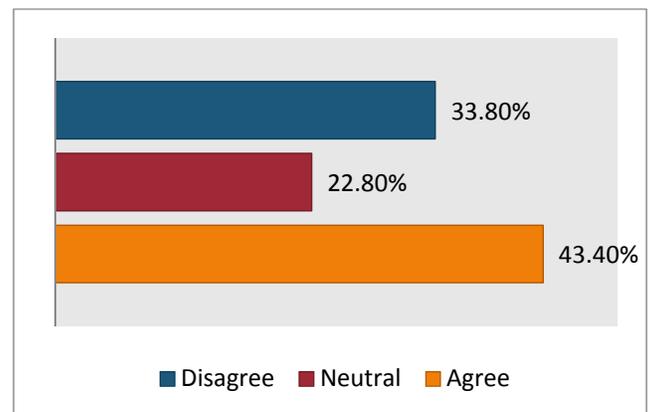


There is an equal consensus to the notion of technology taking over key traditional finance functions in future and traditional finance function not being affected by IT roles. If the former is applied, there can be more focus on the business

centric finance functions where a combination of business leadership and people management skills are used for the growth and success of the organization. This is a breakthrough for finance professionals from the typical administrative function to strategic decision-making and leadership roles. On the other hand, if technology does not have any impact on conventional finance functions then the focus should be on enriching and enhancing these roles.



43% think that intelligent dashboards/accounting robots will take away key accounting and reporting decisions.

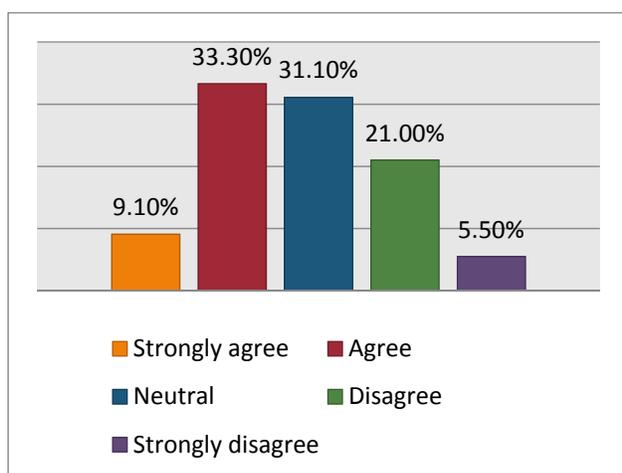


As shown by the disagreement level in the survey, fast changing technological adaptations within finance fraternity is yet to be discovered and accepted. While there are many who agree that IT professionals will take away lead roles in future finance functions, around the same number of people show disagreement. Moreover, majority of respondents believe that intelligent dashboards/accounting robots will take away key accounting and reporting decisions. Whatever the case maybe, the survey results are a call to work towards the changing needs of the corporate world.

6.3 Skills and competencies



42%⁶ agree that PAIBs have the right level of people management skills that can take them to the top leadership roles in any organization.



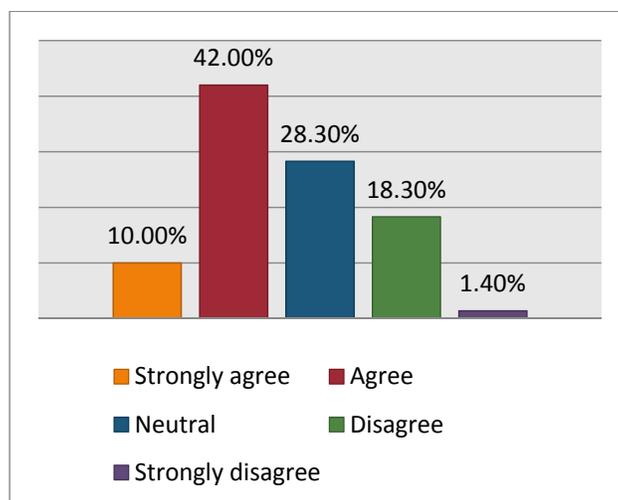
Majority of the people agree that professional accountants have the right level of aptitude for business leadership as well as people management skills. On the contrary, majority of people believe that accountants are not equipped to perform functions other than the traditional roles such as auditing, reporting, governance and compliance.

In the near future, various skills are expected to become redundant. These include conventional accounting procedures such as number crunching, bookkeeping, payroll, revenue invoicing, financial reporting and manual procedures such as manual audits and use of Excel spreadsheets. Many of these skills are expected to be replaced with technological applications.

⁶ Strongly agree and agree are combined



52%⁷ agree that PAIBs have the right kind of aptitude to lead the business by taking key decisions at the right time.



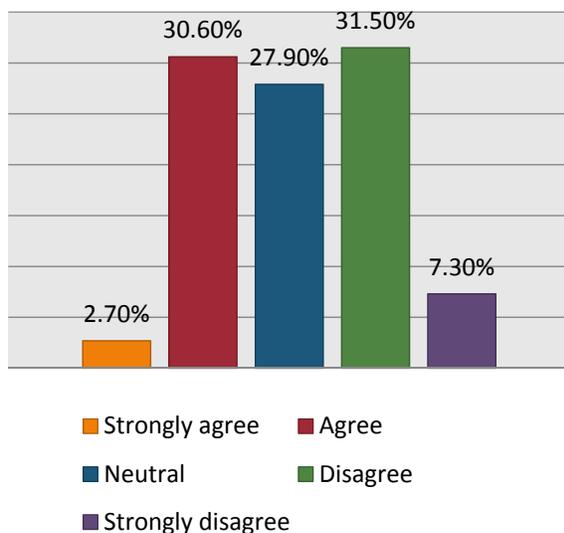
Since many skills are expected to become extinct, new skills/competencies need to be honed that would dominate the future landscape. Technology expertise such as ERP, business intelligence, computer aided audits, accounting software applications and e banking are the major skills that accountants should acquire expertise. Moreover, people management, leadership and communication skills will assist the finance professionals to better integrate with organizational culture and business leadership. Similarly, business management and robust decision-making skills shall be integral part of the roles and responsibilities of future accountants.

⁷ Strongly agree and agree are combined

6.4 Barriers to change for finance professional

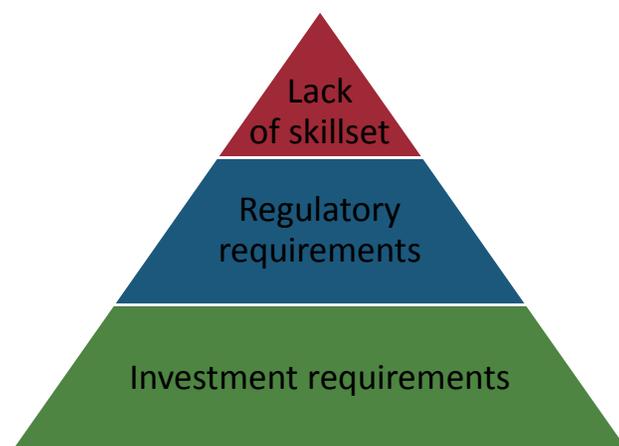


38%⁸ disagree that PAIBs are currently trained or equipped to successfully perform functions other than accounting, reporting, auditing and compliance.



In Pakistan, Professional Accountants in Business are mainly focused on performing core finance functions such as accounting, reporting, auditing and compliance. One of the reasons is that respondents do not believe that PAIBs are equipped to carry out their duties beyond numbers.

This calls for a need to enrich and enhance the boundaries professional accountants have set for themselves.



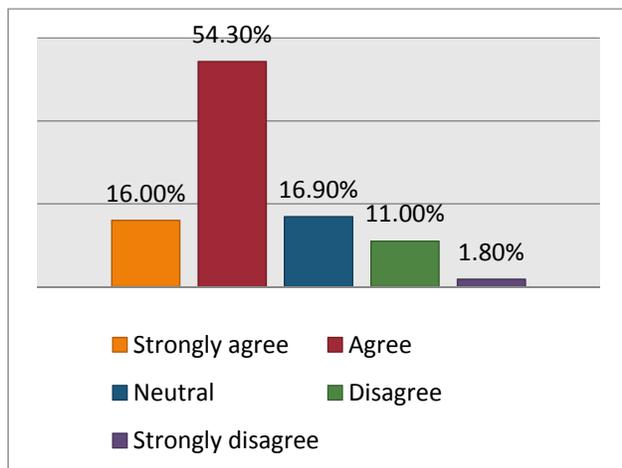
Acquiring new skills and competencies is crucial for the progress of accountants in industry. According to the survey, the major obstacle towards a shift in specialization or technological acceptance is the lack of relevant skill set of professional accountants in industry and the failure to update it. Moreover, compliance with superfluous regulatory requirements and investment requirements prove to be other barriers. Other barriers to change include inability to adapt to change and reluctance to change the current conventional corporate mindset.

⁸ Strongly agree and agree are combined

6.5 Challenges for finance professionals



70%⁹ think that PAIBs, in general, function within certain boundaries, which at times do not allow them to think beyond numbers or controls.



Professional accountants in business face multifarious challenges in today's corporate world, which are expected to grow in the near future. It is crucial to unearth these challenges and devise strategies that can enable the accountants to cope with them in a progressive manner.

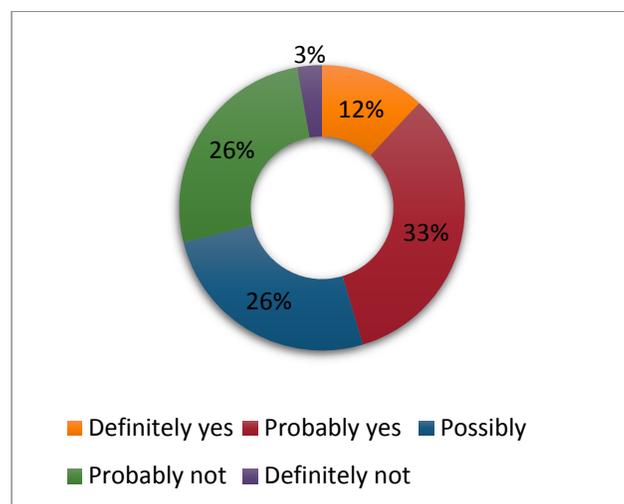
According to the survey, majority of the respondents agree that PAIBs, in general, function within certain boundaries, which at times do not allow them to think beyond numbers or controls. These boundaries are mainly due to reluctance to change management application and adaptability to the changing technological and economic environment.

⁹ Strongly agree and agree are combined

Top three challenges for finance professionals and professional accountants in industry include keeping pace with technological advancements, handling uncertainty and volatility and increased regulatory requirements and compliance with changing laws and regulations.



45%¹⁰ believe that accountants and PAIBs are tuned to face the challenges of fast changing business environment.



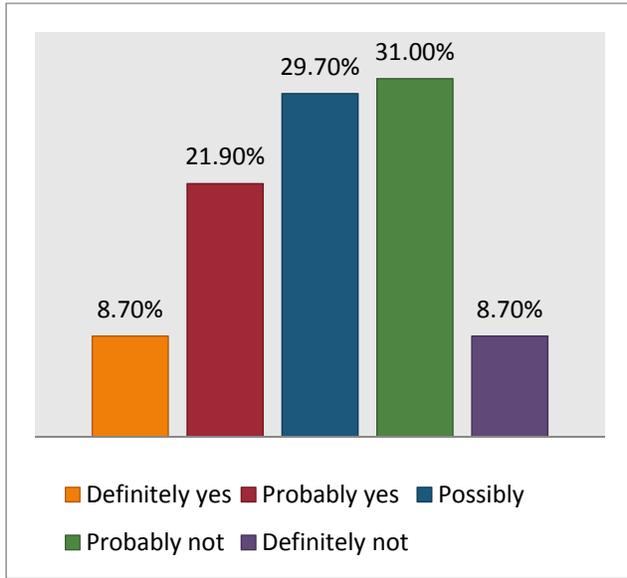
While a significant number of respondents think that accountants and finance professionals in industry are skilled enough to face the drastic changes in the corporate world, many others believe these challenges are difficult and accountants are yet to be trained for this purpose.

¹⁰ Definitely yes and probably yes are combined

6.6 Role of ICAP and Employers



40%¹¹ think that ICAP does not provide adequate support to face challenges and build new skill set.

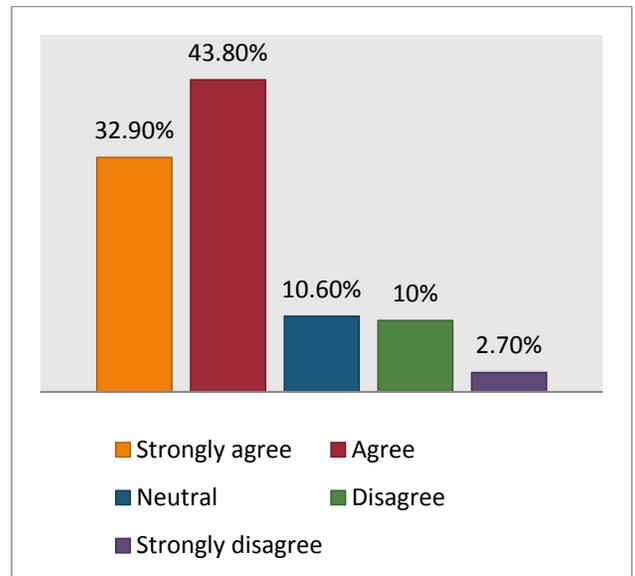


The Institute of Chartered Accountants of Pakistan (ICAP) plays a crucial role in the professional development of the chartered accountants in business and practice. The survey reveals the perception of the respondents about the Institute in contributing to the accountants in business. Majority of the people believe that PAIBs do not get adequate support from the Institute and their organizations to face these challenges and build new skill sets.

¹¹ Definitely yes and probably yes are combined



76%¹² think that Institute should focus on developing specialized certifications to cater to the requirements of specific industries.



The entire survey encapsulates the information about the professional accountants working in industry, their skills and competencies, the challenges and opportunities therefore; an integral question on part of the Institute was to discover its role and contribution towards the professional development of accountants as business leaders and technical experts. Majority of the respondents agree that ICAP should specifically cater to the growing needs and requirements of the professional accountants in industry. It is also revealed that there are expectations from the Institute to develop certifications particularly for accountants engaged in business.

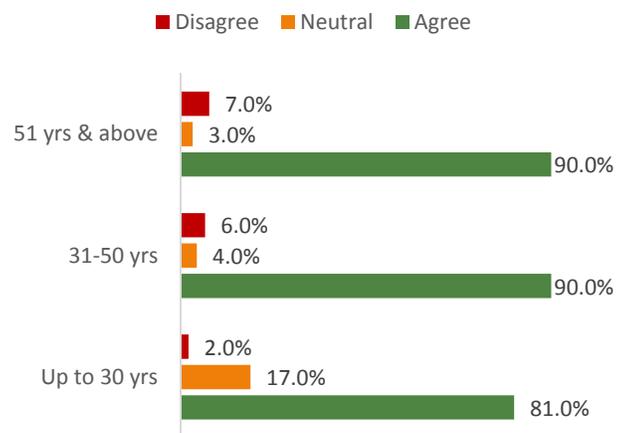
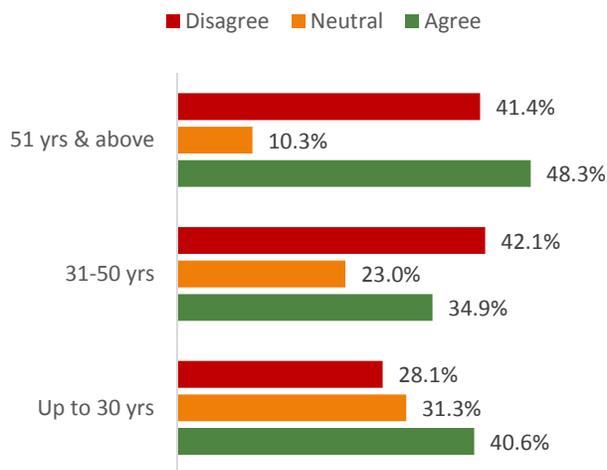
¹² Strongly agree and agree are combined

7. Analysis of responses – age group-wise

Following charts show analysis of respondents amongst various age groups. While some responses show drastic difference in opinions amongst different age groups, other responses show similarity.

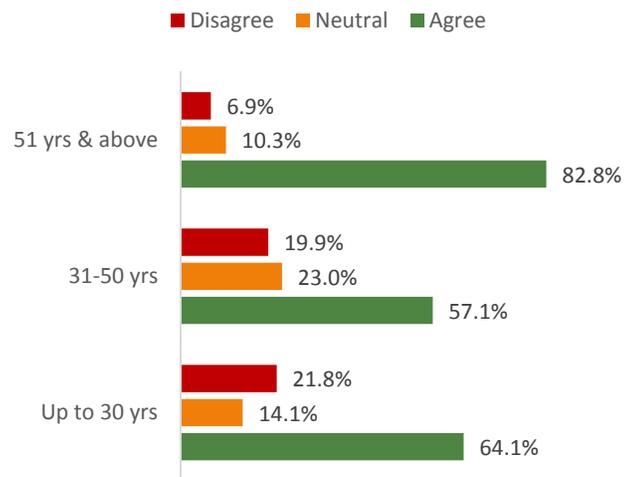
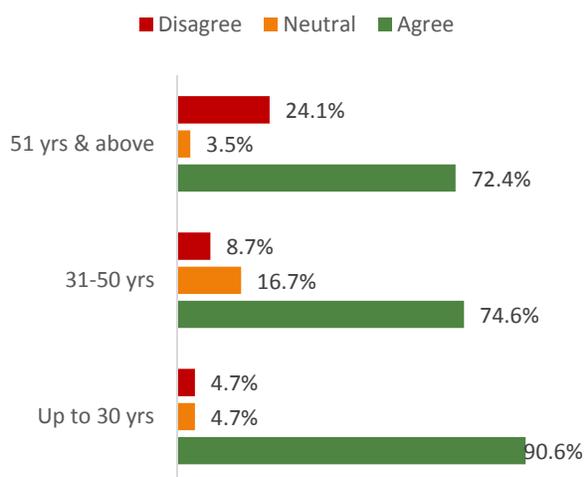
In the next decade - 2025, majority of the PAIBs will continue with their traditional roles in areas of finance, business collaborating and compliance.

Do you think expectations from finance functions will change significantly with time?

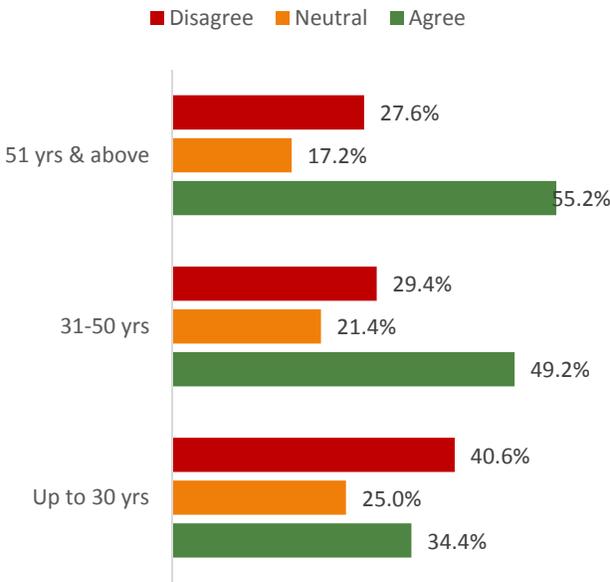


Do you expect finance functions to remain as relevant for businesses in 2025 as they are today?

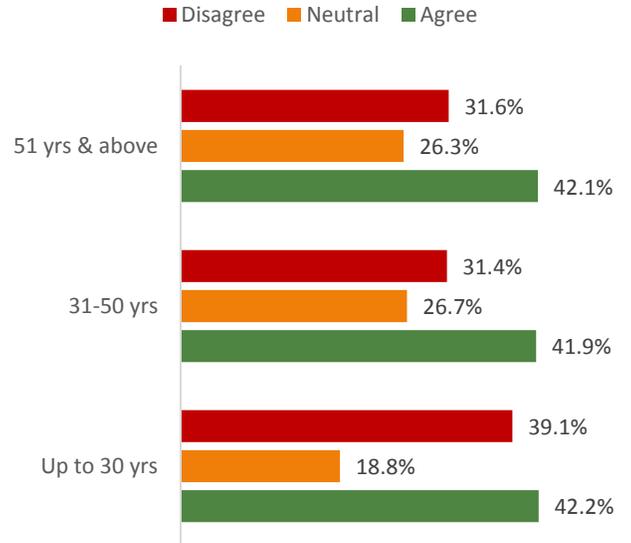
Do you see a shift towards more specialization like industry specific certified accountants?



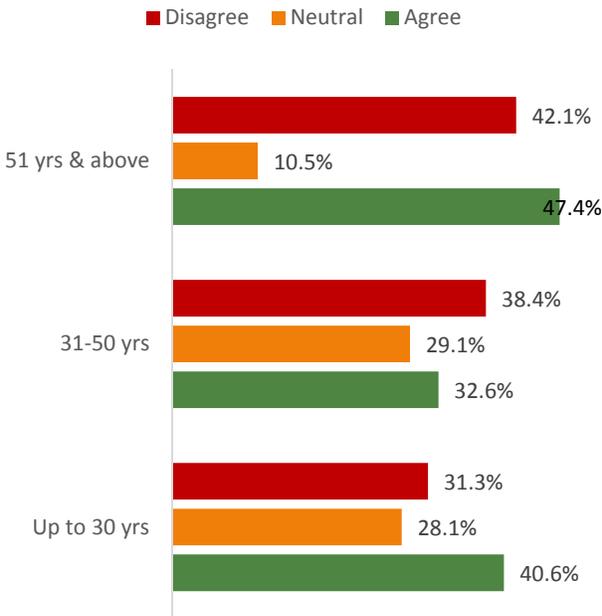
Do you expect outsourcing organizations taking away key finance roles in future?



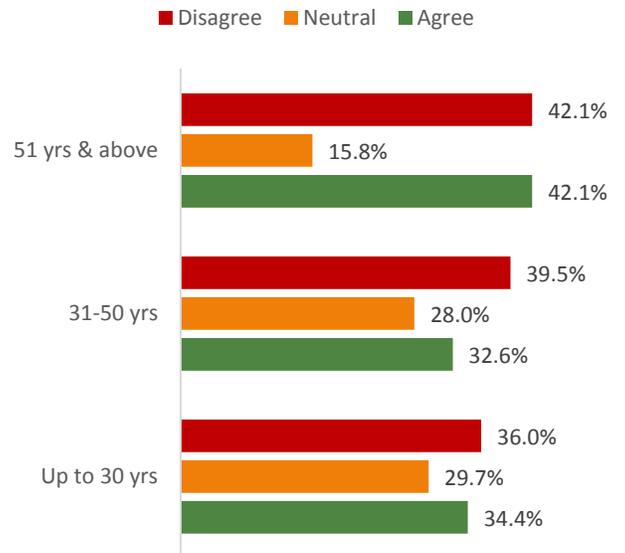
Intelligent dashboards/software/accounting robots will take away key accounting and reporting decisions.



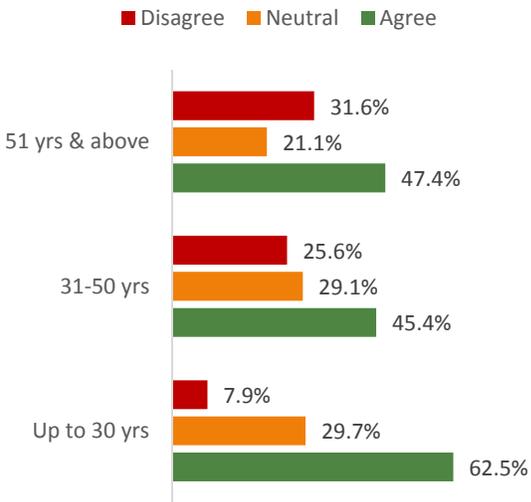
IT professionals will take lead roles in future finance functions.



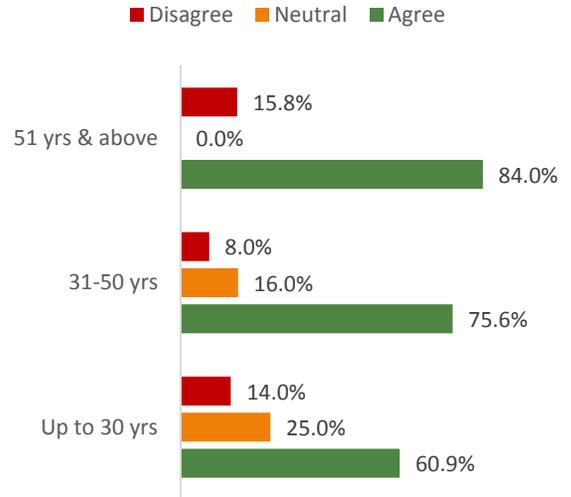
PAIBs are currently trained/equipped to successfully perform in functions other than accounting, reporting, audit and compliance.



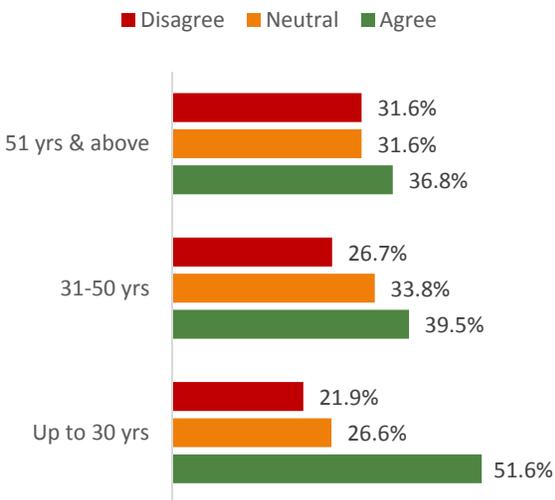
PAIBs have the right kind of aptitude to lead the business by taking key decisions at the right time.



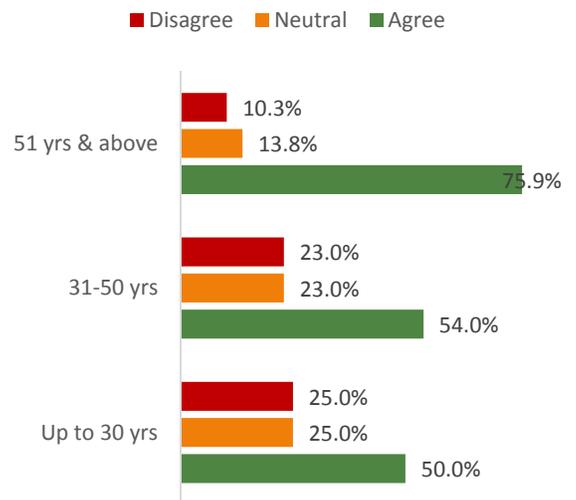
PAIBs, in general, function within certain boundaries which at times do not allow them to think beyond numbers or controls.



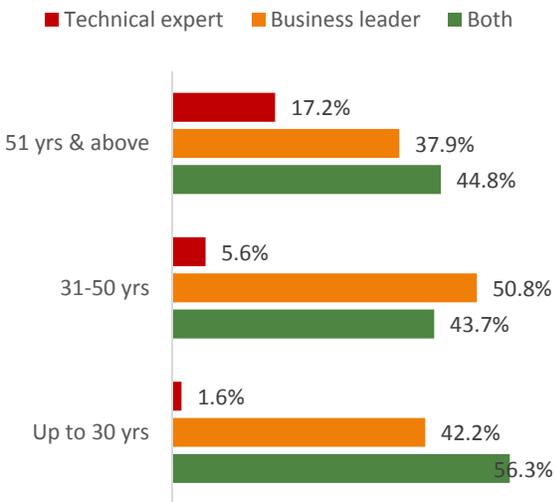
PAIBs have the right level of people management skills that can take them to the top leadership roles in any organization.



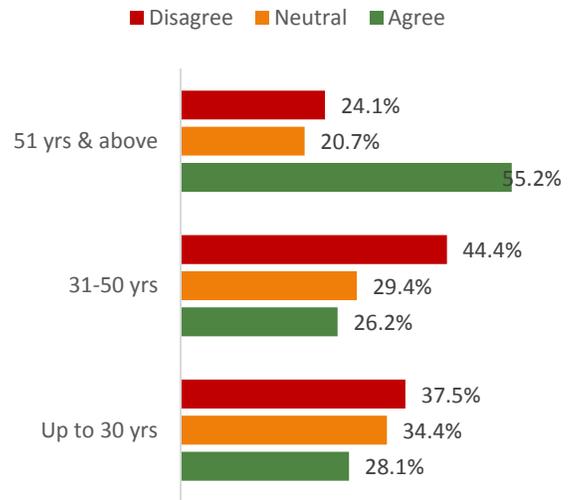
Should PAIBs be developed as industry-specific experts from the platform of accounting bodies going forward?



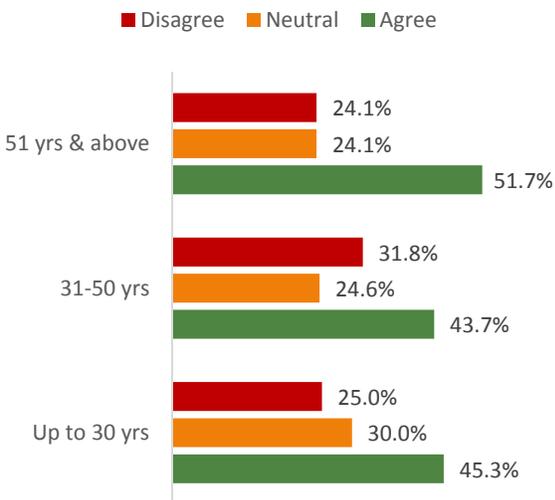
Should PAIBs of future be developed more as business leaders or as technical experts?



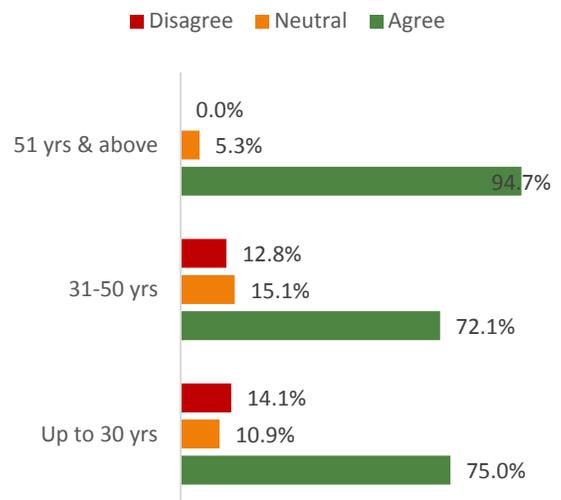
Do you think PAIBs get adequate support from the Institute and their organizations to face these challenges and build new skill sets?



Do you think finance functions in general and PAIBs in particular are tuned to face the challenges of fast changing business environment?



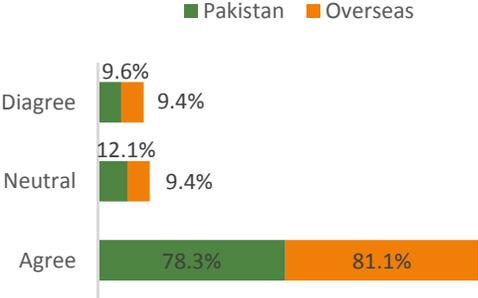
Institute should focus on developing specialized certifications to cater to the requirements of specific industries.



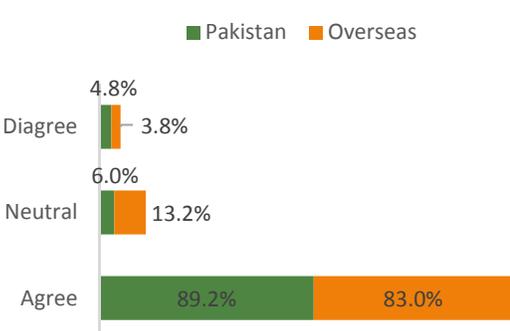
8. Analysis of responses – Pakistan vs overseas

Following charts show analysis of respondents from Pakistan and overseas members.

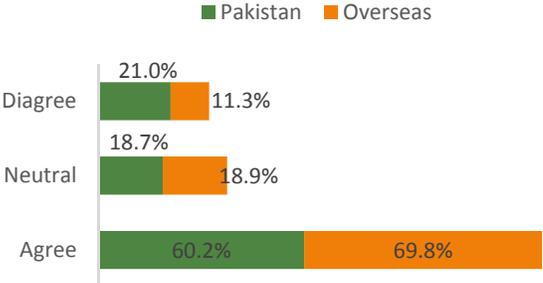
Do you expect finance functions to remain as relevant for businesses in 2025 as they are today?



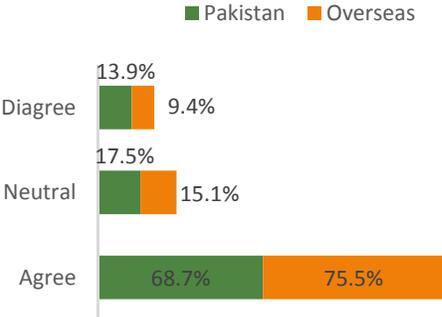
Do you think expectations from finance functions will change significantly with time?



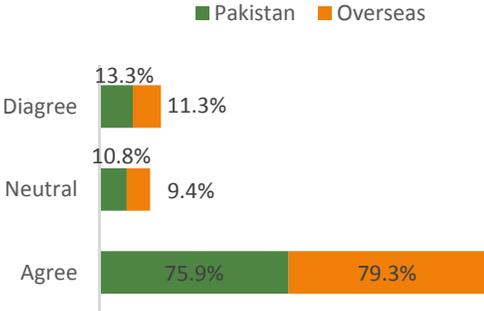
Do you see a shift towards more specialization like industry specific certified accountants?



PAIBs, in general, function within certain boundaries which at times do not allow them to think beyond numbers or controls.



Institute should focus on developing specialized certifications to cater to the requirements of specific industries.



Survey Lead

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Zehra Hassan

Manager Continuing Professional Development
Institute of Chartered Accountants of Pakistan

Amber Anwar

Officer Education & Training
Institute of Chartered Accountants of Pakistan

9. Survey Questionnaire

1. Registration number

2. Age

- Up to 30 years 41-50 60 and above
 31-40 51-60

3. Gender

- Male Female

4. Country of residence

- Pakistan Overseas

5. Total number of years of professional experience

- Less than 5 years 11 years -15 years 21 years -25 years
 5 years -10 years 16 years -20 years 25 years and above

6. Engaged in

7. Number of employees in your organization

- 1-50 101-200 501-1000
 51-100 201-500 1000 and above

8. In your opinion what will be the top 3 drivers of change in finance functions? For example: Technology/digitization, legal and regulatory environment, business environment etc.

9. What could be the top 3 challenges for finance professionals in general and PAIBs in particular? For example: Keeping pace with technology, globalization, handling uncertainty/volatility etc.

10. In the next decade - 2025, majority of the PAIBs will continue with their traditional roles in areas of finance, business partnering and compliance.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

11. What new roles/opportunities can open up for PAIBs?

12. Do you expect finance functions to remain as relevant for businesses in 2025 as they are today?

- Definitely yes
- Possibly
- Definitely not
- Probably yes
- Probably not

13. Do you think expectations from finance functions will change significantly with time?

- Definitely yes
- Possibly
- Definitely not
- Probably yes
- Probably not

14. Do you see a shift towards more specialization like industry specific certified accountants?

- Definitely yes
- Possibly
- Definitely not
- Probably yes
- Probably not

15. Do you expect outsourcing organizations taking away key finance roles in future?

- Definitely yes
- Possibly
- Definitely not
- Probably yes
- Probably not

16. IT professionals will take lead roles in future finance functions.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

17. Intelligent dashboards/software/accounting robots will take away key accounting and reporting decisions.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

18. PAIBs are currently trained/equipped to successfully perform in functions other than accounting, reporting, audit and compliance.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

19. PAIBs have the right kind of aptitude to lead the business by taking key decisions at the right time.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

20. PAIBs have the right level of people management skills that can take them to the top leadership roles in any organization.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

21. PAIBs, in general, function within certain boundaries which at times do not allow them to think beyond numbers or controls.

- Strongly agree
- Neutral
- Strongly disagree
- Agree
- Disagree

22. Should PAIBs be developed as industry-specific experts from the platform of accounting bodies going forward?

- Definitely yes
- Possibly
- Definitely not
- Probably yes
- Probably not

23. Should PAIBs of future be developed more as business leaders or as technical experts?

- Equal importance to both
- More as a business leader
- More as a technical expert

24. In the next ten years, what existing skill sets/competencies are expected to become redundant?

25. What new skills/competencies need to be honed that would dominate the future landscape?

26. Do you think finance functions in general and PAIBs in particular are tuned to face the challenges of fast changing business environment?

- Definitely yes Possibly Definitely not
 Probably yes Probably not

27. What do you think are the major barriers to change in the finance functions?

For example: Regulatory regime, skill set of PAIBs, investment requirements etc.

28. Do you think PAIBs get adequate support from the Institute and their organizations to face these challenges and build new skill sets?

- Definitely yes Possibly Definitely not
 Probably yes Probably not

29. Institute should focus on developing specialized certifications to cater to the requirements of specific industries.

- Strongly agree Neutral Strongly disagree
 Agree Disagree

30. Open area for suggestions. (Optional)



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